EDUCATIONAL PROGRAM ON FDO 1

(Handbook for FDA Representatives)

Table of Contents

		Page
Introduction		1
I.	Points to be emphasized in area meetings	2
II.	Things which will help to insure the success of area meetings	4
III.	Program for meetings	5
IV.	Suggestions for use of speakers	
	A. Purpose of meeting (Chairman)	7
	B. Responsibility of baking industry (Industry leader)	12
	C. Analysis of provisions of FDO 1 (Order Administrator)	15
	D. Penalties for violations (Compliance official)	25
	E. How to improve compliance (Member of Industry)	27
V.	Suggestions for follow-up activities	28

Prepared By
Food Distribution Administration
Washington, D. C.

November, 1943

INTRODUCTION

Your Job

Food Distribution Order No. 1 was issued December 29, 1942, and became effective January 18 following. Since it was the first such order, it was not as well publicized and explained throughout the trade as most of the subsequent orders. Good educational jobs have been done here and there, both by FDA and by the baking industry, but most educational work has been sporadic and of varying degrees of intensity and effectiveness. Even now, ten months later, it is apparent that there are still many bakery operators, sales supervisors, routemen, retail grocers, and others affected by the order who are either not conversant with all its requirements or do not take the order very seriously. The purpose of the present educational campaign is to see that everyone does know all the terms of the order that affect him and does take the order seriously.

First step in the program is a series of local or marketing area meetings--after that will be other meetings, other educational jobs.

It is your responsibility, working with bakery industry representatives in your area, to arrange these meetings, act as chairman of them, exert every effort to see that they are successful. A successful meeting is one from which the bakery people who attend will come away with every intention of complying with the order and with a number of good ideas for helping assure compliance of management, route supervisors, drivers, and other employees.

To help you hold up your end of the job this handbook has been prepared, containing material for your use as chairman of the meetings, suggested speeches for FDA men on the program, ideas for discussion with and by the bakers, and materials which might be employed in following up these meetings. It is hoped that Regional Offices will add to this material and that you will add to it yourself. Above all it is hoped that you will use discretion in adapting the material to local needs, particularly by adding ideas and suggestions from your own experience, giving credit for local accomplishments, and leaving out material of no local application.

POINTS TO BE EMPHASIZED IN AREA MEETINGS

1. FDO 1 is designed to help bakers.

The President has repeatedly emphasized that the price of bread must not be permitted to rise. In his recent message to Congress (November 1) he said, "A program to prevent an increase in the price of bread is now being developed."

With increased costs of production, and a ceiling on the price of bread, the baker would be "squeezed" - if FDO 1 did not provide for economies of operations.

Part of these economies arise through the two provisions of the order which are most frequently contested by certain bakers: Restrictions on consignment sales and limitations on varieties. Observing these two provisions means money in the pocket of the baker....providing his competitors also comply with the order.

2. A baker who violates this order injures the industry.

One wilful violator is likely to cause his competitors to do likewise - in self-defense. Thus all are once more engaging in costly selling practices, and no one in the locality can benefit from the economies possible under the order.

On the other hand, 100% compliance with the order benefits the whole industry. Everyone's operating costs are lowered, and profitable operations are possible.

3. This order has vital significance for the whole nation.

An individual baker is likely to think, "What does my little business have to do with the war effort? Who cares whether I take back a few loaves of stale bread now and then?" All those "little businesses" added together make the second largest food processing industry in the United States.

Consignment selling of bread in 1942 diverted from human food use $4\frac{1}{2}$ million pounds of shortening, $5\frac{1}{2}$ million pounds of dried milk, and 6 million pounds of sugar. FDO 1 prevented similar losses in 1943. The bread saved this year through the elimination of consignment sales would be enough for ten cities of 800,000 people for one year.

4. How real compliance is secured.

We can have genuine compliance only if (1) every baker knows the provisions of the order; (2) every baker knows why the order was issued - to benefit him and his industry; (3) every baker shows by example to his employees that he is complying with the order and demands the same compliance of his employees.

This meeting of bakers is only the beginning - it should be followed by city-wide meetings of all route supervisors, together with employers and FLA officials. That city-wide meeting should be followed by plant-wide meetings of route salesmen, together with their route supervisors, their employers, and FDA officials. Each baker must demonstrate in the presence of his employees his determination to live up to FDO 1, and his insistence that his employees in no way violate it. You will have to "keep pushing" so that the necessary follow-up meetings are held soon after the meeting with bakers.

THINGS WHICH WILL HELP TO INSURE THE SUCCESS OF AREA MEETINGS

1. Enlist the active support of a group of bakers to help plan meetings, get attendance, participate in program, etc. Make this a real meeting of, by and for bakers. You will chair the meeting, and Government men will have an important part in it --but it is primarily a service for the bakers. The American Bakers Association and the American Retail Bakers Association are actively supporting this program to make FLO 1 work. Make full use of the State Bakers' Association and the local bakers associations.

2. Send letters of invitation to all bakers within the area. (The State Secretary of the Bakers' Association has been asked to supply your state supervisor with lists of Association members and non-member bakers who should be invited.) These invitations should be sent at least ten days in advance of the meeting. Be sure to include members of the National Bakers' Advisory Committee who reside in your area.

3. Consult local bakers to determine a convenient time of day (or night), as well as a convenient meeting place. Select the most comfortable meeting room available - be sure it is large enough to accomodate everyone invited.

4. Enlist the assistance of the allied trades-firms which supply bakers will be especially helpful in spreading news of the meetings. You will probably want to secure the cooperation of representatives of yeast manufacturers, flour companies, and allied trades.

5. Send post-card reminders three days in advance of meeting. Call attention to the fact that you will begin the meeting promptly.

6. Begin on time - don't let speakers run over the time allotted them - end on time.

7. If possible, have a "rehearsal" beforehand. This will prevent overlapping in speeches, will give the meeting continuity, and will help you to keep on schedule.

8. Select your speakers carefully. Be sure that you get the best FDA men possible for the Government's presentation. Select industry speakers who are known to be complying with the Bakery Order - under no circumstances use any industry man suspected of violating the order. Be sure that the men who represent the bakers have the full confidence of the trade.

9. Don't overlook the small bakers. They are important to the success of your program. Use them in the meeting - call on them for discussion - don't let the larger operators dominate your meeting.

PROGRAM FOR LOCAL OR MARKETING AREA MEETINGS

Following is a suggested program for the community meetings—to be held for cities or for marketing areas. The program may, of course, be varied to suit individual needs. You may have a motion picture you wish to show, or a special speaker. You may think it best to have a panel discussion on the platform as a part of the program. The only thing required about this program is that the meeting be limited to bakery operators and officials (the management and policy-making level), that it be constructive and productive of ideas, that all phases of the order and its operation be covered, and that the bakery industry itself carry its part of the program. The agenda should be arranged and carried out in such a manner that little time is dissipated in discussions of individual complaints not truly representative, with bickering, with recriminations about particular companies, and side issues—such as ODT rules, OPA rules, and so on. Good chairmanship will be required to keep the program moving along on schedule without waste time and unnecessary argument, but still preserving the democratic privileges of discussion.

Program for State and Area Meetings

(Approximately 2 hours)

Chairman: State or Area Supervisor

10 minutes	Purpose of Meeting (FDO 1, the job it has to do, and our experience to date.....	Chairman
10 minutes	Responsibility of baking industry in educational program; the opportunity it offers the baking industry	
	(Facts and figures showing conservation as result of FDO 1)*.....	Industry leader**
25 minutes	Analysis of the provisions of FDO 1; penalties for violations.....	Order Administrator (with compliance official, if possible)
10 minutes	How to improve compliance.....	Member of Baking Industry
	followed by	
35 minutes	Discussion.....	Led by Member of Baking Industry
15 minutes	Closing	
	What voluntary cooperation can accomplish--contrasted with the effects of wilful violations of FDO 1.....	Chairman

*The ABA will furnish industry speakers with suggestions for talks through the state secretaries.

**This industry leader may be the president of the local bakers' association. If there is no association, he may be any representative baker.

Purpose of Meeting

Statement of background for FDO 1, its objectives, and its operation
(For use of FDA chairman in area meetings)

Bread is the staff of life. It is the most nearly universal food of all. Almost everyone eats some bread every day.

Approximately 30,000 bakeries in America consume thousands of tons of flour, shortening, milk, sugar, eggs, and other ingredients in the daily manufacture of bakery products. By far the most important of these products is bread. As the war goes on and more women turn to employment in war plants and other business, as rationing reduces quantities of shortening used in the home, home baking declines and the importance of commercial bread production increases.

The tremendous importance of bread in our national economy cannot be over-emphasized. And its importance in the national diet is just as great.

It was inescapable that the matter of bread should be one of the first to receive close study by the administrators of the national food supply. Consultations were held with representatives of the baking industry from all parts of the country, from all types of baking establishments large and small. Out of these discussions and others with outstanding nutritionists and representatives of consumer and labor groups, came several important decisions on which there was virtually unanimous agreement.

First, the price of bread must be held as low as possible to guarantee that everyone shall have the opportunity to buy as much as he needs.

Second, the nutritional quality of bread must be maintained and even improved as one of the most important ways of insuring the health of the nation.

Third, certain competitive practices in the baking industry must be eliminated during wartime because they resulted in potential waste of large quantities of vitally important foodstuffs—most of which are scarce now.

Bread cost is extremely important because bread is one of the cornerstones of a well-balanced national diet. No one should have to go without bread because it costs too much. And if the price of bread were allowed to rise <u>only one cent a loaf</u>, it would add more than 120 million dollars to the national food bill each year, driving a big hole in the defenses against inflation. Yet, the cost of manufacturing bread began going up when the war started--everybody admitted that. Labor cost more, flour cost more, all manufacturing costs were inching up here and there.

Two alternatives were open to the baking industry. Either they had to raise the price of bread or they had to reduce the cost of manufacture and sale. Representatives of the baking industry agreed with representatives of the War Food Administration that the latter course was the better from the standpoint of national interest. So, one of the primary objectives of Food Distribution Order No. 1, which was to be the cornerstone of the war program of the baking industry, was to reduce the cost of manufacturing and selling bread.

This was achieved by several different provisions of the order, which will be explained in more detail later. One of the most important was the prohibition against consignment sales, which was costing the baking industry millions of dollars a year. Previously it had been possible to absorb this cost in the baker's margin of profit on each loaf he sold. Now, as his margin was squeezed thinner and thinner, he could no longer afford to absorb it. Other savings in cost were accomplished by prohibiting the furnishing of bread racks, screen doors, and other types of equipment, formerly offered without cost to retailers in the competition for business. Sampling was forbidden. The number of varieties of bread that could be manufactured was reduced. Limitations on the number and weight of wrappers, inserts, and outserts were ordered. Twisting and cross-panning were prevented. Originally, slicing of bread for retail sale was forbidden, but experience with this provision indicated that the savings to the industry were apparently offset by the dissatisfaction of the consumer. This restriction was repealed after a few months' trial.

Maintenance of public health is a vital concern of the Government in wartime, because sickness means lost time on the job, lost production, low vitality of the people, and puts a strain on doctors and nurses needed to care for our fighting men. Bread is one of the most important mainstays of health. Enrichment of breads with the vitamins and minerals essential to good health is the best possible way of making sure that almost everyone in the nation receives at least a part of his daily needs of these dietary essentials--since bread is an important part of the diet of almost every American. Therefore, it was ordered, as a part of Food Distribution Order No. 1, that all bread manufactured commercially should be enriched according to standards prescribed by the Food and Drug Administration. The resultant loaf of bread made of white flour contains about the same quantities of the enriching elements as a loaf made of whole wheat flour.

While it was necessary to place limitations on the amounts of milk, sugar, and fats contained in bread--as a measure to conserve our supplies of these scarce and essential foods--these limitations were placed high enough to insure a healthful product. At the same time, they make certain that more bread can be made from the limited supplies available for bread manufacture.

It might be mentioned here that Americans are now enjoying and will continue to enjoy what is probably the best bread of any nation now at war.

Most countries are forced to adulterate their bread with various "ersatz" or substitute ingredients. The British bread contains no milk at all, and much less fat and sugar than the American loaf. It is made from a long extraction flour to which is added at least 10 percent of barley, corn, or oat flour.

That brings us down to the third objective of the Bakery Order, that of preventing waste. The same competitive practices which had increased the cost of manufacturing and distributing bread had also caused waste of tons and tons of bread and the ingredients that compose it. Therefore, the elimination of these practices not only will help keep down the cost of bread but will help prevent a large part of the food waste that has previously existed. Consignment selling alone in 1942 is said to have resulted in the loss for human food of about 4½ million pounds of shortening, 5½ million pounds of dried milk, and 6 million pounds of sugar.

It was estimated that, prior to the issuance of FDO 1, 5.8 percent of the total yearly bread volume was returned to the bakery as a result of consignment selling. This represents a potential source of waste amounting to 720 million loaves of bread every year. Of course, some of this bread was resold to charity cases and institutions, but most of it was lost for human food.

By eliminating this source of waste, the baking industry can save enough bread to feed every war worker in the United States for 4 months; to feed every member of our Armed Forces for about a year; to feed every man, woman, and child in Greece for more than a year.

A survey conducted by a bakery service organization shows that the average loss from returned stale bread in the several hundred plants studied amounted to 38¼ cents per hundred pounds of bread sold in 1939. In other words, returns of stale breads were costing these plants—after all recovery—about 6½ percent of their income from bread sales.

From these facts it is clear that the "no consignment" features of the Bakery Order not only benefit the baking industry by reducing the cost of operation, but they benefit the Nation by holding down the cost of living and by conserving vast quantities of foodstuff.

The restrictions on the number of varieties of bread that may be made by a bakery also help reduce food waste. The limitations on the sugar, fat, and milk content of bread have also resulted in enormous food savings with no danger to the public health, since this made it possible for the baking industry to make more bread out of the quantities of these foods they were permitted to use.

Thus, to sum up, it is clear that Food Distribution Order No. 1 was issued with a three-fold purpose in mind: Holding down the cost of living by holding down the cost of one of the most essential foods; improving the national health through improving the nutritional standards of bread; and conserving large quantities of vital foods through eliminating wasteful competitive practices.

In accomplishing these objectives, the order has had a number of incidental good effects, such as saving manpower, saving waxed paper, saving delivery costs. We have the word of a large grocery trade journal that it results in a larger percentage of "fresh" bread in stores, and that it increases total bread sales.

The order has undoubtedly saved the baking industry money, saved the public money, and resulted in the saving of enormous quantities of food. We have been told by practically every member of the baking industry who has expressed an opinion that the baking industry desires to continue the order, that the industry believes in it, and that it feels the order has been of untold benefit to the industry.

Nevertheless, there is evidence that the order is not being fully complied with by everyone in the baking industry. There have been numerous complaints that the order was being violated here and there--usually the prohibition against consignment sales. We have frequently heard as an excuse for one violation the complaint that others were violating. In most cases it has been very difficult to find the original violators who started these chains of non-compliance--they are so elusive we sometimes wonder if they are gremlins and do not really exist at all.

For the most part we have dealt leniently with violators, since we have received the repeated assurances of the bakery industry that the vast majority of bakers honestly want to comply and are forced to violate here and there by dishonest competition.

We believe that the order is on the whole of great benefit to the industry, that it constitutes a protection to the majority of operators and employees. For this reason we believe that most of the non-compliance with the order stems from a lack of understanding of the provisions and the purposes of the order. The objective of this meeting is to give every baker in this area an opportunity to hear the Bakery Order fully discussed in all its terms, to have the provisions of it explained, to understand the procedure for dealing with violations, and--most important of all--to lay plans for following up with intensive city-wide educational programs and educational programs within every baking plant in this locality.

Every wholesale customer of the baker should know the objectives and provisions of the bread order. He should be in complete sympathy with the baker's efforts to comply with it fully. He should be made to understand that the order protects him and protects his customers by assuring more bread, better bread, cheaper bread, and conservation of the ingredients from which bread is made.

If this meeting is to be successful, it must bring forth suggestions and ideas for getting better compliance with the Bakery Order. If that means a better educational job among the bakery operators, let us have suggestions for such a job. If it means better educational work among wholesale customers, let us develop plans for doing that. If it means bringing all the sales supervisors, or all the drivers together in open meetings, let us bring out such ideas.

It is as much the duty and the responsibility of the baking industry to assure perfect compliance with this order as it is the duty and responsibility of the Government. You must join us in working out plans to persuade your competitiors and their employees—and your own officers and employees—to comply fully, sympathetically, and zealously with this order. It is the conviction of those high up in the government and in the baking industry, that full compliance with Food Distribution Order No. 1 is the best hope of the baking industry that it can survive the war successfully. It is urgent that we obtain your full and energetic cooperation.

(Prepared by the American Bakers Association)*
November 1, 1943

Suggested ideas for use of the baker speaking for FDO No. 1 at Joint Industry Government Meetings. (For use by speakers in their own words and as part of their talk)

Baking is one of the few industries in the class of those least affected by war. We are still making our own type of production and will continue to after the war.

For many industries, the war has meant discontinuing their own line to make war needed products. The end of the war will bring even more serious problems to them when they again must return to production of their civilian goods.

The only change for bakers has been a reduction in varieties, - prohibition of stale returns and other economies and streamlining through Food Distribution Order No. 1 and other war time regulations.

Bakers are most fortunate of all business men now at the end of two years of war time operation.

90% of all bakers favor FDO No. 1 and perhaps 10% are doubtful of the value of some parts of the order, or selfishly of the opinion that they could survive without its help.

The government's needs for food conservation make such an order imperative - but it actually works for the greatest good of the greatest number - it is actually a law under the second War Powers Act issued by the President, so for the sake of our reputation for integrity and good citizenship, we should all be aggressively supporting the Order.

To simply say we are in favor of it and then follow the lead of those who take unfair advantage or use shady practices whether such offender is large or small is just the same as not believing in and not supporting the Order. Those who believe in the Order, must work and work hard, first in their own bakery to make it successful. Then, next to cooperate with all competitors who wish it to work leaving for the Food Distribution Administration to deal with those who are wilfully violating. They will, thus, be segregated into a group, stigmatized as unpatriotic and uncooperative - none of us would care to be so classed.

What is needed above all is integrity, so that we can have confidence in the government and in each other.

*Copies have been sent by the ABA to state association secretaries and a number of industry representatives. Included here in order that you will know the type of material which local bakers can obtain from their state associations.

Whether the government is able to completely and realistically enforce the order promptly, - we should promptly plan for encouraging compliance. Shall we be so unreasonable, so unable and unwilling to discipline ourselves that the government mustput on a big staff of enforcement agents, who might better be fighting our axis enemies.

Even the bootleggers of 10 years ago whose activities required such an enormous staff of enforcement agents, were only keeping these men away from peace time activities. But those bakers, whose wilful violations cause the present threatend break down of the order are worse offenders than the bootleggers of old.

Bakers are almost the only food suppliers permitted to deliver as much as is demanded in almost any way it is demanded. If we will not by self discipline operate properly under the relatively free system that FDO No. 1 provides, there is reason to believe it's possible for the government to impose a different type of regulation which will be distasteful to us.

The conservations and economies provided in FDO No. 1 and other regulations, have been life saving for the Baking Industry.

The President's "hold the line order" is especially directed at bread and if it were not for these savings and the volume of business available, most bakers would be in financial trouble. The President's message to Congress November 1st re-emphasizes "hold the line" when he said "A program to prevent an increase in the price of bread is being developed".

Instead, for two years now, we have sold bread at a rigid ceiling price and have thus created enormous good will for ourselves, while other businesses have been constantly criticized for rising prices.

The OPA will still hold bread prices in check even if by our own failure we should finally lose the benefits of FDO No. 1. One can only contemplate with horror what the condition of this industry would be if we lost 10% of our business, had a stale return loss of 5 or 6% and the cost of the other extravagances. Most of us would be in the red and without any hope of help from OPA or from Food Distribution Administration.

Some of those who oppose the order may think they are strong enough to stand all this risk, but even the strong may find themselves in difficulty if the industry, as a whole, is in trouble. Better for any of us to be strong in powerful industry than merely to be a survivor in a ruined industry.

Let us not waste time in discussion of past failures - let us look to the future and plan for success - for ourselves, - for our industry.

I know of no wartime order affecting any industry which merits so thoroughly active support as does FDO No. 1. If bakers were themselves writing an order for the industry, it would not be much different or any more worthy of support.

If we had been less successful - if war had dealt more harshly with us, we assuredly would be embracing all the benefits of FDO No. 1. But in our pride - in our failure to really understand, - we are prone to think ourselves strong and attribute to ourselves the current success which in reality is due to wartime demand and regulation.

A modest appraisal of the whole situation will convince us that we are lost without FDO No. 1 and we who know that now we must band together to force the unwilling into compliance. If we all unite for this common purpose, we shall in our unity be stronger than any opponent who ever it may be - and we shall have the government as our ally.

Suppose our leaders in Washington lost the support of the top officials in War Food Administration?

Will you let your mind follow with me some of the things which might happen?

The officials handling tires and gasoline would press harder against our industry, with no official government voice to defend our needs, and the same in WPB with wax paper, cartons, containers, machinery and equipment.

The War Manpower Commission would find new reserves of men for the draft and for other industries, if there was no authoritative voice of defense.

Your leaders in Washington are not sufficient unto themselves alone. They are successful through active cooperation and support of government officials in Food Distribution Administration and War Food Administration.

They earn this support by close cooperation with government needs and your leaders need your support of FDO No. 1 to enable them to maintain their fine relationship with government which has so benefitted every baker.

NOTE: Because of the technical nature of this subject, it is suggested that the speaker assigned make a brief general talk on major provisions of FLO 1 and important interpretations, utilizing the following reference material as a base. The material can also be used in detail to answer specific questions on provisions of the order.

REFERENCE MATERIAL--
Not to be used as a speech in present form.

Analysis of Provisions
FLO 1

(Background material for speaker; to be used in conjunction with the docket)

It is believed that the definitions appearing in the order are self-explanatory and need not be discussed at the educational program meeting with the exception probably of paragraphs (a), (6), (7), and (8).

No doubt most of the 35 minutes allotted to the discussion of the order's provisions will be utilized in discussing the restrictions of the order. For this reason these remarks are confined to the restrictions, with the exception of paragraphs (a) (6) cross-panning; (a) (7) varieties, and (a) (8) rolls.

Cross-panning - (a) (6)

The term "cross-panning" is intended to prohibit bakers from panning pieces of dough at right angle to the pan's longest dimension. It is not intended nor does it prohibit bakers from placing pieces of dough side by side in pans whose length and width is either the same or within a fractional inch of being alike. This practice is used to produce what is known as a "twin" loaf and as stated above, is not prohibited.

Nor is the practice of panning pieces of dough end to end prohibited. This is usually done to accelerate panning of pullman and sandwich loaves. In so doing, if the ends of the pieces slightly lap each other approximately an inch or 1 1/2 inches, such practice is not construed to be cross-panning and therefore is permitted.

Variety - (a) (7)

The term "variety" as it appears in the order is intended to go beyond the industry's understanding of the word as used over a long period of time. It includes all kinds of doughs that may be baked in bread pans. As an example, if bread made from sweet dough contains cinnamon and other spices and high quantities of sugar, eggs, and other ingredients not commonly used in white pan bread, it is considered to be a variety of bread. Such sweet dough is often referred to by the industry as coffee cake dough or "basic sweet dough."

Adding a Variety During the Week

Bakers are prohibited from adding or exchanging varieties during the week that would make the total varieties made during the entire week exceed the permitted number of varieties for a week. For the purpose of the order the week begins Sunday, 12:01 A.M.

Dropping a Variety During the Week

The order does not prohibit a baker from dropping a variety during the week, but the variety that has been dropped may not be replaced, therefore, if a baker desires to have a cinnamon sweet dough loaf for Wednesday's sale, even though it is only made for one day, it counts as one variety on the weekly total.

Change in Formula, Type, Weight, Shape or Topping

A change in the formula or type, weight, shape, or topping is sufficient to classify a product as a separate variety even though it may be identical in all other respects, except one of the aforementioned characteristics named.

For instance, a loaf of sandwich bread may be made from a formula from which open-top pan bread is made. The mere fact that the dimensions and shape are different from the open-top bread makes the sandwich loaf a different variety or,

another example is where both a twin loaf (two pieces of dough baked side by side in one pan) and an open-top pan loaf are made from the same formula. This would constitute two varieties under the provisions of the order.

Another example is that when two loaves of bread are made from the same dough, baked in the same pan, and one loaf is cut down the top and the other is not, the mere cutting of the top of one loaf is sufficient to classify the two loaves as two varieties.

Another example would be two loaves of raisin bread identical in every respect, except one is covered with an icing and the other is not, the difference in topping is sufficient to cause these two loaves to be classified as two varieties.

Rolls - (a) (8)

It is the intent of this definition to include all rolls and buns made from doughs whose formula differs only slightly from that of bread dough and it includes every type of rolls made from such dough.

The word "buns" means those rolls that are made in a "round form" or other shapes that are of a soft nature and usually used to make frankfurter sandwiches, hamburger sandwiches, and various other type sandwiches. However, buns made from sweet doughs such as the basic sweet dough or coffee cake dough into the form of cinnamon rolls, pecan rolls and other types are not to be considered and classified as a roll variety. The order does not prohibit basic sweet doughs or coffee cake doughs being made into any form the baker may desire "except" as aforementioned, when portions of such dough are baked in bread molds, the loaf shall then be considered as a variety of bread.

Restrictions (b)

Twisting or cross-panning - (b) (1)

It is believed that almost every baker will recognize the value in this restriction. We hardly believe anyone will take exception to the claim of labor saving that is involved. It is very possible that we have not seen the worst of the labor condition that is to come.

Roll Packaging - (b) (2)

It is believed the wording of this paragraph is self-explanatory, and all bakers are urged to exercise the greatest care in the adjustment of their wrapping machines wherever possible (even though inconveniences may be caused) in the interest of paper and cardboard conservation.

If it is possible to do without a tray and use a cardboard bottom for rolls, this should be done. If it is possible to use lighter weight paper, this should also be done. Every conservation effort that is put forth to conserve paper and cardboard will definitely pay dividends in the future to all paper users.

Inner Wraps - (b) (2) (ii)

It is believed that inner wraps are not required on bread up to 13 inches in length. It is recognized that there may be cases where bakers may have difficulty especially with loaves of large volume or an extra long loaf of heavy scaling weight, but bear in mind the driver salesmen and all other handlers of such loaves must be cautioned to handle them carefully. Emphasis should be placed on handling the bread from the bottom rather than from the ends, thereby giving support where it is most needed.

Hayssen Wrapping Machine vs Inner Wraps

You will note that the order states that inner wraps may be used only to partially cover loaves of bread. No doubt many bakers probably have experienced difficulty in using an inner wrap on bread baked in pans of 13 inches in length or longer, when wrapped by a Hayssen wrapping machine.

The design of the Hayssen wrapping machine is such that the paper must be fed from the side of the machine over the loaf from end to end, and both inner and outer wrappers must be of the same length, which means that the ends of the loaf, top, side, and bottom, will be entirely covered, thereby double wrapping the loaf.

In order to overcome this violation, it is suggested that enough of the roll of inner wrap be cut off so that there will be a gap of an inch or more between the edges of the inner wrapper on the bottom of the loaf which will them only partially cover the bottom. The result is the loaf is only partially wrapped with an inner liner and immediately takes it out of the classification of having been completely double wrapped.

Inserts and Outserts - (b) (3)

Inserts or outserts are permitted to be used on bread that provides the only label identification. The outsert as used in this instance refers to what is commonly known in the industry as an "ad-seal-it band" or it may be a label with an adhesive back that may be applied to the wrapper or may be inserted under the wrapper.

Required Label Correction

In cases where a change of some sort would require a correction to be made in the label, either by Federal, State, or other legal statutes, the order permits the use of an outsert announcing such required label correction or an insert. However, in no event shall any insert or outsert exceed three inches in width. No baker should use an outsert or insert having a required label correction any longer than is absolutely necessary. Immediate efforts should be made to make the correction on the wrapper, thereby eliminating as soon as possible the outsert or insert that is used to announce the required label correction. This will materially aid in the conservation of paper.

Consignment Selling - (b) (4)

It is the intent of this paragraph to prevent bakers or anyone connected with the establishment from delivering bakery products on consignment.

Consignment

"Consignment" means the delivery of bakery products without having received a bona fide order to deliver a specified quantity and kind of product. This applies to all bakers in the industry.

It further restricts any baker from accepting the return of any bakery products delivered notwithstanding the fact that such product may or may not have been sold. If it was not sold, then the baker has delivered the product on consignment.

Refund, Credit, Allowance, or Exchange

Bakers are not permitted to make a refund or give a credit either on the sales slips or on a charge account, nor is he permitted to exchange merchanise for any reason nor shall he make any other allowance.

The same holds true in connection with stale bakery products and furthermore, the groceryman is prohibited from returning any bakery products to any person from whom purchase was made, or accept a refund, or a credit, exchange, or an allowance for such return. This means that any subterfuge used to defeat the purpose of this restriction is a violation of the order.

Example of Refund, etc.

As an example, a salesman making a delivery to a groceryman notices two loaves of bread left from the previous day. The salesman approaches the counter and presents his bill and displays two outstretched fingers on the counter (in a manner generally known as signifying "V" for victory). The groceryman sees the act and realizes that it means there are two loaves of bread left from the previous day. The driver salesman, after accepting payment for ten loaves of bread, may purchase a coca cola or some other item, and the groceryman is given a half dollar. The driver salesman accepts the item purchases, but the groceryman took out of the half dollar the cost of the item plus the wholesale price of two leftover loaves of bread.

All of the subterfuge methods used by members of industry to defeat the purpose of the order are prohibited and are known to the Government's investigators. We have given an example of only one of the many subterfuges that are being practiced today.

Adjustments

Under the consignment selling restriction, bakers may make adjustment only in the following cases:

a) When he receives a signed statement from the purchaser that empty or partially filled packages have been received and then the adjustment shall be made only to the extent there was shortage in the package when delivered. This principally applies to packages of rolls and other similar items sold by count and packages of buscuits and crackers, cookies, etc., and then only when the package is "blind," meaning that the consumer cannot see the contents.

b) A bakery product containing any foreign substance such as a cigarette, match splinter, nail or vermin, provided the manufacturing baker obtains a signed statement from the purchaser that such product contained the foreign material when it was purchased.

Varieties - (b) (5)

This paragraph specifies that no baker shall manufacture a greater number of varieties in a bakery than was made during the first week of December, 1942.

No Experience of Certain Varieties During Base Period

There are some bakers who during the first week of December 1942 did not make certain kinds of bakery products and are now prohibited from doing so. Before such products may be made, it is necessary to file a petition with the regional office for authority to do so. This explanation holds true for any variety of bakery products as specified in this order. In case a baker was making more varieties than permitted under the order, he must reduce the number of varieties to those specified.

Varieties for Sale to Grocers

Bakers are permitted to sell to grocery stores six varieties of machine molded bread, however, only three of these six varieties may be white pan bread. The other three varieties may be any kind of bread that is machine molded. They are also permitted to manufacture ten varieties of hand molded bread.

Interchange of Varieties Between Classified Buyers

In case that any of these six machine molded and ten hand molded varieties of bread are sold to restaurants, hotels, and private institutions, those varieties that are so sold must be included in the ten varieties that are permitted under the order to be sold to restaurants, hotels, and private institutions. The ten varieties that are permitted to be sold to such institutions shall not include more than three white pan breads.

House-to-house and retail bakers are permitted to manufacture 15 varieties of bread, of which only three may be white pan bread. Regardless of whether the baker is a wholesale bread baker dealing principally with grocerymen, or whether he is a specialty baker selling to restaurants, hotels, etc., or whether he is a retail baker, if the same variety is sold to two or more of the three classified purchasers, such as grocers, institutions, or directly to the consumer, such variety shall be counted as a variety permitted each classified buyer. The only exception is the sale to Federal, State, County, or municipal institutions. Such sales of any variety that a baker may be manufacturing for classified purchasers may be sold to these institutions without counting them as an extra variety.

Equipment - (b) (6)

The intent of this paragraph is to assist bakers to dispense with practices that are believed to be expensive and non-essential during the war period. Not only does it assist bakers to reduce the cost of operation, it conserves metals and other materials. The order prohibits bakers from providing or furnishing racks, stands, or other equipment to any person, and it likewise prohibits the repair or maintenance of such equipment. This prohibition includes within the meaning of "other equipment" the following:

Floor type cardboard racks and stands
Ration Stamp Assorting Boxes
Menus, such as printed or changeable for hanging on walls, or those displayed on stands used inside or outside the premises.
Mirrors
Thermometers
Barometers
Window Dressing equipment used in displaying the customer's products, such as peanut butter, jellies and jams, etc.
Paper Bags

Deposits made on racks and/or stands by baker's customers may be refunded by the baker.

In the event that a baker may have on hand racks, stands and other equipment purchased prior to the issuance of the order, he may petition the Director for authority to sell such equipment at a price not less than cost or present market value whichever is lower. "Whichever is lower" must not be construed to mean a "junk dealer's bid." Usually the price so established is ridiculously out of line with the value of the equipment. Such petition should be presented to the director of the regional office in your area. The petition should contain the following information, the kind and type of equipment, the size, the quantity, and the date purchased.

Ingredients - (b) (7)

Enrichment

All white bread shall be enriched. This includes, in addition to white pan bread, Vienna, French, and Italian breads, or any other white bread regardless of whether it is baked in a pan, on a screen or on the hearth of an oven.

Method of Introducing Enriching Ingredients

Bakers are held responsible for the proper enrichment of all white bread. The method of introducing the enrichment into the doughs is optionalwith the baker. He may use either of the following methods; the tablet form, the use of enriched flour, or enriched yeast. However, bear in mind that the baker is responsible for the required quantity of those vitamins and iron that are required to be incorporated into all white bread.

Quantity of Ingredients

The maximum ingredients that bakers are permitted to use are not more than 4 parts of solids of milk or skimmed milk, to 100 parts of flour, nor more than 6 parts of cane sugar, beet sugar, corn sugar, or other related fermentable carbohydrates to 100 parts of flour.

Some of fermentable carbohydrates commonly used are corn syrup, and various malts. That quantity of each fermentable carbohydrate which is introduced into a dough shall become a part of the permitted quantity of sugar. The baker may not use more than 3 parts of shortening, lard, or other fats or oils to 100 parts of flour. Any extenders or substitutes or any other ingredient containing shortening are considered as part of the permissible amount of shortening.

Gifts - (b) (8)

The holiday seasons are not far off and bakers should understand thoroughly that this paragraph prohibits them from making gifts of bakery products directly or indirectly to any purchaser of bakery products. Frankly, this practically means to any "consumer of bakery products." The safe thing to do is not to give or make gifts of bakery products to anyone.

Sample

The wording of the clause uses the word "sample" and for the purpose and intent of the order, the word "sample" means an entire unit or any portion of a unit, as an example, a slice of bread, a slice of cake, or a roll, or any portion of a loaf of bread or cake or other unit of bakery product.

(c), (d), and (e)

These paragraphs are self-explanatory and need not be discussed at this time, other than to call your attention to the fact that when an investigator approaches you for audit, inspection, or examination of your books in

conjunction with an investigation of an alleged violation, it is suggested that you assist him willingly. Such cooperation may save unpleasant happenings.

Petitions for Relief from Hardship - (f)

This paragraph is not to be construed to mean that by simply filing a petition for relief from a restriction or provision of the order that it will be granted. It was expected that certain hardships would occur. Please bear in mind that the granting of relief from compliance with the provisions of this order has the effect of amending the order insofar as the petitioner is concerned.

The granting of petitions must have the prior approval of the Director and necessarily involves a period of time. The mere fact that a petition may have been filed does not give the authority to put into operation the subject of the petition which is prohibited by the order. There is only one primary fact which entitles a person to relief from the order. The hardship must be "exceptional and unreasonable." Hardship alone is not enough. Many bakers consider difficulties encountered in complying with the order as hardships which are in reality no more than ordinary business hazards. These cases are not exceptional and unreasonable. Analyze the word "unreasonable" for a moment. There is a reason for every restricting paragraph of the order. If there is "no" reason, then the hardship is considered to be "unreasonable." Keep that before you. Please remember that if and when it becomes necessary to file a petition, such petition must be filed with the director of the regional office of the Food Distribution Administration for the area in which you operate.

The names and addresses and areas administered by each director are as follows:

Francis D. Cronin - 150 Broadway New York, N. Y.	Northeast Region - Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, West Virginia
Col. J. H. Palmer - Western Union Bldg. Atlanta, Ga.	Southern Region - Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia
E. O. Pollock - 5 South High St. Chicago, Illinois	Midwest Region - Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin
Lester J. Carpleman - 425 Wilson Bldg. Dallas, Texas	Southwest Region - Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas
Ewell F. Maben - 821 Market Street San Francisco, Calif.	Western Region - Arizona, California, Idaho, Nevada, Montana, Oregon, Utah, Washington, Wyoming, Territory of Hawaii

PENALTIES FOR VIOLATIONS

Food Distribution Order No. 1 represents the consensus of the baking industry of measures to be taken, (1) to prevent an increase in the price of a loaf of bread to the American consumer, (2) to prevent increased labor and material costs from putting the baker out of business, while maintaining the price of a loaf of bread, and (3) to conserve both manpower and critical and essential food materials for the armed forces of the United States and its Allies.

A considerable portion of the baking industry is already working in compliance with the requirements of Food Distribution Order No. 1. It is to bring 100% of the baking industry into compliance that this program is being held today.

Food Distribution Order No. 1 was issued by the War Food Administrator and the Secretary of Agriculture under war powers conferred by the Second War Powers Act. This Act provides for fines and imprisonment for wilful violators of orders issued under its provisions. Criminal prosecution therefore could be the first recourse of the War Food Administration against any violator of Food Distribution Order No. 1.

Because this is a nation of free people and because most Americans desire to cooperate with their Government in winning this war, the War Food Administration prefers to use criminal actions against violators as a last resort rather than as a first recourse.

Instead, the War Food Administration prefers first to resort to education and publicity so that all members of the trade and industry who want to cooperate with their Government will know exactly what their Government expects of them.

Second, the War Food Administration proposes to have area supervisors and their special representatives who will periodically call upon and interview personally every baker, processor, distributor, and retailer of bread and rolls. Each of these interviewers will be equipped with a short form containing the major items for compliance with Food Order No. 1. The interviewer will ask questions and note the answers on this form and will, at the conclusion of the interview, ask the business proprietor to sign the form indicating that the interview was correct and complete. These forms, when returned to the state and regional offices of the War Food Administration by the interviewers, will be analyzed to determine the extent of compliance by the businesses interviewed.

If a wilful violation is noted, the third course of action will be taken, namely, an investigation or audit will be instituted to determine exactly the nature, extent, and wilfulness of the violation. If this investigation or audit indicates that violation is wilful, then legal action will be instituted.

Legal action will be one of three types: First, it may be administrative action by the War Food Administration. The violator will be served with a statement of charges covering his violations and he will be given an opportunity to answer or deny the charges at a public hearing set at a mutually convenient date. At the hearing the War Food Administration will present its case and the violator will be given an opportunity, either personally or by counsel, to present his case. After both sides have had full opportunity to present their respective cases, the presiding official will summarize the hearing and transmit the docket or transcript to the War Food Administrator in Washington for his final determination as to action to be taken or sanction to be imposed. This may mean temporary suspension of all or part of a business depending upon the effect of the violation on the general success of the wheat and bread allocation program during the war period. It may result in cancelling of war orders or the supplying of essential supplies or materials to violators; it may mean depriving the violator of certain collateral assistance in the obtaining of equipment for the running of his business. In any event, the first type of action will be administrative action designed merely to control the allocation of bread and rolls and other grain products without resort to criminal action except as a final resort.

Next, where the violation is of substantial character and the public interest requires that the violator be restrained at once, the attorneys of the War Food Administration may proceed through the United States District Attorney to petition the nearest Federal district court for a restraining order or an injunction preventing the violator from continuing the violation for the duration.

Then, finally, if the violation is particularly wilful or of special significance because of its effect on the morale of the trade or industry, the attorneys of the War Food Administration may work through the Department of Justice in the institution of criminal action for imposing a fine or prison sentence on the violator.

To date, investigations of violators of Food Distribution Order No. 1 show that the picking up and returning of stale bread and the consignment selling of bread account for the largest percentage of violations. Next, the making of an excess number of varieties of bread is the second largest source of violation. Excess and improper wrapping of bread is next in importance of violations. The distribution of display equipment is next as a violation. The making of gifts of bakery products comes next. Only a very small fraction of violators have been found to violate provisions covering twisting, the failure to enrich bread, the use of excess shortening, the selling of small loaves in small lots, cross-panning, and failing to keep adequate accounts and records.

There is no desire on the part of any representatives of the War Food Administration to prosecute any fellow American in the bakery or grain products industry, especially one who is doing his best patrictically to help his nation win the war. However, we have no intention of permitting a small group of wilful violators to break down general observance of the order. These meetings and others like them all over the country are designed to secure universal understanding of the order. When everyone understands FDO 1, we hope that there will not be a small fraction of businessmen who seem to require some sort of legal action to encourage cooperation with the Government in this war effort. If, however, such a group exists, we shall use the teeth which the law contains.

How to Improve Compliance

This topic will be introduced by a member of the industry and will be followed by general discussion by the whole assembly. The success of your follow-up activities will be determined in large part by the specific plans made for improving compliance. You will want to select a strong industry representative to introduce this topic. Be sure that he has definite, constructive ideas to advance and that he can stimulate discussion. The following are suggestions which you may wish to talk over with the industry members in advance of the meeting. The ideas set forth here are only tentative, for it seems reasonable to expect that the bakers themselves are most familiar with abuses under FDO 1 and that they are in a good position to suggest remedies for these abuses.

1. Real compliance starts at the top of an organization. Management must evidence its intention to comply. On all provisions of the order except one, full responsibility for compliance rests solely with management. On one provision - the restriction on consignment sales - the route supervisors and salesmen bear a joint responsibility with management. It is easy for bakers to attempt to shift the blame for violations to their employees, and in some cases we know the blame belongs there. However, in other instances route supervisors and salesmen are known to have violated the consignment provision under orders from management. Bakers cannot expect their employees to comply with FDO 1 unless they themselves demonstrate their own intention to comply and demand the same compliance from everyone in their employ.

2. Compliance can be improved through the combined efforts of all bakers in a city or market area. Any action program agreed upon must be endorsed by the trade - and carried out by the trade.

3. Compliance is improved by positive programs of action - not talk. The job now is to decide what we will do, when we will do it, and how we will do it.

4. A good beginning place in planning these action programs is with the question: Why is the order now being violated? In answering this question, we will be led into another one: How can we correct the conditions which cause violations?

Follow-up Through Community-Wide Action

The meeting of bakers in a given city or marketing area will not in itself insure wholehearted compliance with the Bakery Order. It must lay the ground-work for a comprehensive follow-up program which will carry the message to every bakery employee, to every buyer of wholesale bread, and to everyone else who might by failure to cooperate jeopardize the operation of the order. The follow-up program must be continuing, keeping up a sustained interest in making the order work.

How best to plan and carry out this follow-up program is something for each meeting to work out for itself. Following are some suggestions, most of which have been tried out in other cities or marketing area with varying degrees of success. As is the case with every other voluntary undertaking, success of any method or device depends on the individuals who employ it.

1. A bakery industry war program committee for the city might be organized to act as planning body and spark plug for all sorts of war-time activities; Bond drives, explanation of ration procedures, and so on. This committee might undertake as its first objective the thorough education of all phases of the baking industry on the principles of the bakery order, seeing that concrete plans are developed and put into operation. Such a committee if suggested and organized by the industry itself with a government chairman, might well operate for the duration.

2. Plans might be made for community-wide meetings of FDA representatives and the employers with their bakery route supervisors, sales managers, or corresponding officers. These men usually are in closer touch with the drivers, know more about their problems and methods of operation, have more influence over the men themselves than anyone else in the bakery. If they are called together, given a full explanation of the order and its provisions, told by the employers that management is complying and expects its employees to comply and asked to join in a comprehensive campaign of compliance with the order, much good is bound to result. Because of the competitive nature of the industry, every route supervisor must know that his competitors' employers are complying.

3. Plant-wide meetings of the route men and salesmen might be a means of getting a mass demonstration of cooperation otherwise impossible. At such a meeting the routemen might raise questions which would have to be submitted to joint meetings of operator representatives and driver representatives for working out. This in itself would be a healthy thing, since it might result in better understanding and unity of action between operators and drivers. The meeting of drivers might also result in the adoption of a "resolution" that the drivers will abide by the terms of the order. The drivers, however, should not be asked to adopt a resolution or sign a "pledge" unless such action has first been taken by their employers.

4. The community meetings might appoint a committee to develop materials for distribution among all bakers, all retail stores, and any other groups which need to be reached (not consumers) implementing the objectives of the bakery order. Such materials might include plant bulletin board announcements, bulletins to bakery salesmen and drivers, cards or stickers for permanent placement in truck cabs, bulletins for distribution to wholesale customers, articles or advertisements for bakery and grocery trade journals, short speeches for opportune occasions, and other materials which may be needed.

5. Cooperation between labor and management is essential, and methods or ideas should be adopted for enlisting the active support of the organized drivers in areas where unions are strong.

6. If subsequent meetings are needed to explain the order to retail grocers FDA representatives should hold such meetings as promptly as possible.